

REMARKS

This Application has been carefully reviewed in light of the Final Office Action mailed February 10, 2005 ("Office Action"). At the time of the Office Action, Claims 1-39 were pending in the application. In the Office Action, the Examiner rejects Claims 1-39. Applicant amends Claims 1, 11, 21, 29, and 31. Applicant respectfully requests reconsideration and favorable action in this case.

Section 101 Rejections

The Examiner rejects Claims 21-28 under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. Specifically, the Examiner states that the claims are "nothing more than an abstract idea, which is not tied to any technological art and is not a useful art." (Office Action, page 5). Applicant respectfully traverses this rejection of Claims 21-28 and requests reconsideration and favorable action.

The patent laws define patentable subject matter as "any new and useful process, machine, manufacture or composition of matter, or any new and useful improvement thereto." See 35 U.S.C. § 101. When an abstract idea is reduced to a practical application, the abstract idea no longer stands alone if the practical application of the abstract idea produces a useful, concrete and tangible result. This then satisfies the requirements of 35 U.S.C. § 101. See *In re Alappat*, 33 F.3d 1526, 31 U.S.P.Q. 2d 1545, 1558 (Fed. Cir. 1994); see also *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 47 U.S.P.Q. 2d 1596, 1601-02 (Fed. Cir. 1998) and the PTO guidelines held at www.uspto.gov/web/menu/pbmethod/trangmaterials.ppt. While an abstract idea by itself may not satisfy the requirements of 35 U.S.C. § 101, an abstract idea when practically applied to produce a useful, concrete, and tangible result satisfies 35 U.S.C. § 101. See *AT&T Corp. v. Excel Comm. Inc.*, 172 F.3d 1352, 1357, 50 U.S.P.Q. 1447, 1452 (Fed. Cir. 1999) (stating that as technology progressed, the CCPA overturned some of the earlier limiting principles regarding § 101 and announced more expansive principles formulated with computer technology in mind); see also *In re Musgrave*, 431 F.2d 882, 167 U.S.P.Q. 280 (CCPA 1970) (cited by the Federal Circuit in *AT&T Corp.*, 172 F.3d at 1356). Thus, producing a useful, concrete, and tangible result is the key to patentability according to *State Street* and other applicable case law.

Applicant believes Claims 21-28 recite allowable subject matter as originally submitted. "Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under 35 U.S.C. 101." M.P.E.P. § 2106. Indeed, a method or process remains statutory even if some or all of the steps therein can be performed in the human mind, with the aid of the human mind, or because it may be necessary for one performing the method or process to think. See *In re Musgrave*, 431 F.2d at 893, 167 U.S.P.Q. at 289. To advance prosecution of this case, however, Applicant has made clarifying amendments to independent Claim 21 in order to address the Examiner's concern. In no way should such amendments be construed as acquiescence to the Examiner's contentions regarding this independent claim. Specifically, Applicant has amended Claim 21 to recite a method for managing a return of an item that includes "using a public communication network to access, from a local returns site, a returns manager system that stores a return policy of the off-site retailer." Thus, Applicant respectfully submits that independent Claim 21 produces a useful, concrete, and tangible result and that using a public communications network is one practical application of Claim 21.

For at least the reasons discussed above, Applicant respectfully requests that Examiner's rejection of Claims 21-28 under 35 U.S.C. § 101 be withdrawn.

Section 102 Rejections

The Examiner rejects Claims 29, 31-35, and 37-39 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,085,172 issued to Junger ("*Junger*"). Applicant respectfully traverses these rejections for the reasons stated below.

Independent Claim 29, as amended, recites as follows:

A system for managing a return of merchandise, comprising:
a retailer comprising a remote direct merchandiser from which one or more items may be purchased by a consumer;
a returns manager system communicatively coupled to the retailer over a public communications network, the returns manager system operable to:
receive a first communication identifying at least an item of merchandise to be returned by the consumer in the future;
identify the retailer as the remote direct merchandiser from which the at least one returned item was purchased by the consumer; and

send a second communication to the retailer identifying the item of merchandise to be returned by the consumer to provide the retailer with advance notification of the return.

In order to establish a *prima facie* case of anticipation, all the elements of the claimed invention must be found within a single prior art reference. *Dewey & Almy Chemical Co. v. Mimex*, 124 F.2d 986, 52 U.S.P.Q. 138 (2d Cir. 1942). In addition, “[t]he identical invention must be shown in as complete detail as is contained in the . . . claims” and “[t]he elements must be arranged as required by the claim.” *Richardson v. Suzuki Motor Co.*, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989); *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990); M.P.E.P. § 2131 (*emphasis added*). Applicant respectfully submits that *Junger* does not disclose, teach, or suggest each and every element of independent Claim 29.

For example, *Junger* does not disclose, teach, or suggest “a returns manager system . . . operable to . . . receive a first communication identifying at least an item of merchandise to be returned by the consumer in the future,” as recited in Applicant’s Claim 29. Rather, *Junger* discloses a system and method for handling product returns “in the context of a retailer/manufacture product situation, . . . a store/headquarters situation, a retailer/distributor situation, or a distributor/manufacture situation.” (Abstract; Column 3, lines 29-34; Figure 1 and 2). The method and system disclosed in *Junger* are implemented after “a regional warehouse 1 operated by a large retail chain collects product returns from local retail stores 3A and 3B.” (Column 3, lines 44-46; Figure 1). Specifically, the objective of *Junger* is the obtainment of reimbursement from a manufacturer for a retailer who has credited a customer for a returned item. (Column 8, lines 60-67). By stating that “[a]fter the returned products arrive at the regional warehouse 1, they are sorted by manufacturer and/or product, and are shipped from the regional warehouse 1 to the manufacturer warehouse 5 for credit or replacement” (Column 3, lines 58-61), *Junger* necessarily requires that the returned items are received from the consumers returning the items at the retail chain stores before they are shipped from the retail chain stores to the regional warehouse 1 for processing. Accordingly, any communications using the returns manager system disclosed in *Junger* cannot be said to “[identify] at least an item of merchandise to be returned by the consumer in the future,” as recited in Applicant’s Claim 29.

For similar reasons, Applicant also submits that *Junger* does not disclose, teach, or suggest “a returns manager system . . . operable to . . . send a second communication to the

retailer identifying the item of merchandise to be returned by the consumer to provide the retailer with advance notification of the return,” as recited in Claim 29. As described above, the method and system of *Junger* are only implemented after the returned items are received by the retail stores and shipped to a regional warehouse for credit and return to a manufacturer. Even if the Examiner equates the retail stores of *Junger* with the consumer of Applicant’s Claim 29, *Junger* does not disclose, teach, or suggest the above recited limitation. Because the returned items are shipped directly from the retail stores to the regional warehouse, the retail stores are aware of the returned items before the regional warehouse receives them. Accordingly, there would be no need to “send a second communication to the retailer identifying the item of merchandise to be returned by the consumer to provide the retailer with advance notification of the return,” as recited in Claim 29. This limitation is necessarily absent from the disclosure of *Junger*.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claim 29.

Dependent Claims 31-35 and 37-39 depend upon independent Claim 29, which Applicant has shown above to be allowable. Accordingly, dependent Claims 31-35 and 37-39 are not anticipated by *Junger* at least because Claims 31-35 and 37-39 include the limitations of Claim 29. Additionally, dependent Claims 31-35 and 37-39 recite elements that further distinguish the art. As an example, Claim 32 recites that a “local returns site is operable to receive the returned item from the consumer.” As disclosed above, however, the method and system of *Junger* are implemented after “a regional warehouse 1 operated by a large retail chain collects product returns from local retail stores 3A and 3B.” (Column 3, lines 44-46; Figure 1). In fact, with regard to the customer, *Junger* only discloses that a return is accepted “[w]hen a customer returns a product with a receipt,” “the serial numbers match,” and “all other return conditions are met.” (Column 2, lines 14-16). Because the products are collected from the retail stores rather than the customer, the regional warehouse of *Junger* is not the equivalent of Applicant’s claimed local returns site. Certainly, the regional warehouse of *Junger* cannot be said to “receive the returned item from the consumer,” as recited in Claim 32.

As another example, Claim 39 recites that “the first communication identifies an order associated with the returned item.” Applicant notes that with respect to the “first communication” of dependent Claim 39 and independent Claim 29, from which Claim 39

depends, the Examiner relies upon the background portion of *Junger*, which discloses that “[w]hen a customer returns a product with a receipt, a retailer may note the serial number appearing on the receipt and compare it to the returned product.” (Column 2, lines 14-16). “If the serial numbers match and all other return conditions are met, the return may be accepted.” (Column 2, lines 16-18). With respect to the regional returns facility implementing the method and system of *Junger*, however, *Junger* merely discloses that the facility “obtains identifying information for a product which is returned.” (Column 2, lines 41-43). To obtain this information, “the return center operator is prompted to enter the Universal Product Code (UPC) number for the product, the product serial number, and a store reference code (if desired).” (Column 6, lines 29-33). “This information may be entered by scanning bar codes on the product with wedge scanner 214 (FIG. 2), or alternatively by typing the information on the keyboard associated with return side computer 210.” (Column 6, lines 33-37). Thus, the regional returns facility receives product specific information that may be gathered from the UPC, serial number, or store reference code. There is no disclosure in *Junger*, however, that regional returns facility receives information that “identifies an order associated with the returned item,” as recited in Claim 39.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 31-35 and 37-39.

Section 103 Rejections

The Examiner rejects Claims 1-28, 30, and 36 under 35 U.S.C. § 103(a) as being unpatentable over *Junger* in view of U.S. Patent Application Publication No. 2002/0128915 A1 issued to Haseltine (“*Haseltine*”). Applicant respectfully traverses these rejections for the reasons stated below.

Applicant’s Claims are Allowable over the Cited References

First, Applicant respectfully submits that even if the combination of references is proper, which Applicant disputes below, the combination of references does not disclose, teach, or suggest each and every feature of Applicant’s claims. For example, independent Claim 1, as amended, recites as follows:

A method of using a public communications network to manage the return of an item purchased by a consumer from a remote direct merchandiser, comprising the steps of:

receiving a first communication at a returns manager system, the first communication comprising return request data from a local returns site;

providing a second communication from the returns manager system to the local returns site, the second communication comprising return validation data having at least a return validation code;

validating the return by matching the return validation code with a pre-authorization code provided by the consumer to the local returns site, the pre-authorization code obtained by the consumer and indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased; and

crediting an account of the consumer for a return value of the returned item after validating the return;

wherein the first and second communications are communicated using a public communications network

The Examiner specifically relies on *Junger* for disclosure of “validating the return by matching the return validation code with a pre-authorization code provided by the consumer to the local returns site, the pre-authorization code obtained by the consumer and indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased,” as recited in Applicant’s Claim 1. As discussed above, however, *Junger* merely discloses a system and method for handling product returns “in the context of a retailer/manufacturer product situation, . . . a store/headquarters situation, a retailer/distributor situation, or a distributor/manufacturer situation.” (Abstract; Column 3, lines 29-34; Figure 1 and 2). Specifically, the method and system disclosed in *Junger* are implemented after “a regional warehouse 1 operated by a large retail chain collects product returns from local retail stores 3A and 3B.” (Column 3, lines 44-46; Figure 1). Thus, the system and method of *Junger* is intended to be implemented between two intermediary sources of a product.

Junger discloses that “[a]fter the returned products arrive at the regional warehouse 1, they are sorted by manufacturer and/or product, and are shipped from the regional warehouse 1 to the manufacturer warehouse 5 for credit or replacement.” (Column 3, lines 58-61). Although “advance return authorization may be obtained for a plurality of products at one time” (Column 4, lines 30-33), such authorization is obtained by the return center operator so that a regional retailer may receive reimbursement for a returned product. *Junger* specifically states that “[b]ecause the returned products are received in a batch and have been pre-approved for return credit, . . . the manufacturer is able to more quickly credit the return

center for the returned products.” (Column 8, lines 60-67). Thus, *Junger* merely provides a system and method for obtaining reimbursement on a batch-basis from a manufacturer for a retailer who has previously credited customers for the return of like items. There is no disclosure whatsoever in *Junger* that “the pre-authorization code [is] obtained by the consumer and [indicates] prior approval of the return by a remote direct merchandiser from whom the item was purchased,” as recited in Claim 1. In fact, with regard to the customer, *Junger* merely discloses that a return is accepted “[w]hen a customer returns a product with a receipt,” “the serial numbers match,” and “all other return conditions are met.” (Column 2, lines 14-16). Thus, the system in *Junger* assumes that the customer is credited in a transaction that occurs before the regional returns facility receives the returned item for authorization and processing.

While *Haseltine* discloses a return system that uses “a distributed network of point-of-return affiliates who will accept the e-tailer’s returns on a walk-in basis” from customers (Page 2, paragraph 18), *Haseltine* does not cure the deficiencies of *Junger* discussed above. According to *Haseltine*, an “inventive packing slip comprises a point-of-fulfillment generated bar code” and “is affixed by any suitable means to as much of the product that comprises a discrete, returnable unit.” (Page 2, paragraph 26). When the purchaser desires to return the product, the purchaser “is informed by means of any various avenues of media, that the e-tailer participates in an association 40 such that the e-tailer has a distributed network of point-of-return affiliates 42 who will accept the return on a walk-in basis.” (Page 3, paragraph 34). “Such affiliates 42 might be the private mailing enterprises that dot the country, including without limitation, PACK ‘N’ MAIL, or MAIL BOXES ETC, and so on.” (Page 3, paragraph 34). “The point-of-return associate 42 provides walk-in processing of the primary target’s request for return.” (Page 3, paragraph 35).

In particular, *Haseltine* discloses that the “point-of-return associate reads or otherwise enters the immediate message given by the inventive bar-coded packing slip 26.” (Page 3, paragraph 35). Thus, the point-of-return associate 42 at the affiliated mailing enterprise receives the packing slip from the purchaser, and the point-of-return associate 42, rather than the purchaser, reads or scans the barcode. The “electronic packing slip includes precise information if not instructions to the point-of-return associate.” (Page 3, paragraph 35). “Such information or instructions will guide this point-of-return associate on how to properly authorize the return of the given product of this e-tailer.” (Page 3, paragraph 35). Thus, the

authorization and processing of the customer return is performed by the point-of-return affiliate 42. There is no disclosure, whatsoever, in *Haseltine* of a pre-authorization code. Accordingly, *Haseltine* also cannot be said to disclose, teach, or suggest “validating the return by matching the return validation code with a pre-authorization code provided by the consumer to the local returns site, the pre-authorization code obtained by the consumer and indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased,” as recited in Applicant’s Claim 1.

The Examiner also relies on the *Junger-Haseltine* combination to reject independent Claims 11 and 21. Applicant respectfully submits, however, that the *Junger-Haseltine* combination does not disclose, teach, or suggest each and every element of Applicant’s independent Claim 11. For example, Claim 11 recites “validating the return by matching the return validation code with a pre-authorization code provided by the consumer to the local returns site, the pre-authorization code obtained by the consumer and indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased.” As another example, Claim 21 recites “a returns manager system that stores a return policy of the off-site retailer, the return policy comprising one or more return guidelines that must be met to validate a return of the returned item, a one of the one or more return guidelines requiring that preauthorization of the returned item is obtained by the consumer before the returned item is received at the local returns site, the preauthorization indicating prior approval of the return by a remote direct merchandiser from whom the item was purchased.” Thus, for reasons similar to those discussed above with regard to Claim 1, Applicant respectfully submits that neither *Junger* nor *Haseltine* disclose, teach, or suggest each and every element set forth in Applicant's independent Claims 11 and 21.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of independent Claims 1, 11, and 21.

Dependent Claims 2-10, 12-20, and 22-28 depend upon independent Claims 1, 11, and 21, respectively, which Applicant has shown above to be allowable. Dependent Claims 30 and 36 depend upon independent Claim 29, which Applicant has shown above to be allowable. Accordingly, dependent Claims 2-10, 12-20, 22-28, 30 and 36 are not obvious over the *Junger-Haseltine* combination at least because Claims 2-10, 12-20, 22-28, 30 and 36 include the limitations of their respective independent claims.

Additionally, dependent Claims 2-10, 12-20, 22-28, 30 and 36 recite elements that further distinguish the art. As an example, Claims 5 and 15 recite “receiving a third communication at the returns manager system, the third communication comprising a request for general returns information from the consumer” and “providing a fourth communication from the returns manager system to the consumer, the fourth communication comprising data representing general returns information.” Claims 6 and 16 further recite that “the third and fourth communications are communicated using a website.” With respect to Claims 5, 6, 15, and 16, the Examiner specifically relies upon *Junger* for disclosure of the recited features and operations. As discussed above, however, *Junger* is intended to be implemented between two intermediary sources of a product. With respect to the customer, *Junger* only discloses that a return is accepted “[w]hen a customer returns a product with a receipt,” “the serial numbers match,” and “all other return conditions are met.” (Column 2, lines 14-18). Accordingly, there is no disclosure in *Junger* (or need in the system of *Junger*) of the regional returns facility communicating with the consumer or vice versa. The features and operations recited in Claims 5, 6, 15, and 16 are completely absent from the teachings of *Junger*.

As further examples, Claims 8 and 18 recite the further step of “providing a returns validation code to the consumer prior to the step of receiving return request data from the local returns site,” and Claims 9 and 19 recite that “the step of providing a return validation code to the consumer is performed using a website accessed by the consumer.” With respect to Claims 8, 9, 18, and 19, the Examiner acknowledges that the *Junger-Haseltine* combination does not disclose the recited features. (Office Action, pages 10-11). The Examiner states, however, that the “differences are only found in the order of the steps and do not alter the stated purpose of the invention.” (Office Action, page 11). Applicant respectfully disagrees for reasons similar to those stated above with regard to all claims discussed above. It is not merely the order of steps but also the parties involved in performing those steps that distinguishes Applicant’s claims from the systems and methods disclosed in *Junger* and *Haseltine*. As shown above, while the objective of *Junger* is to provide for the processing of retailer returns on a batch-basis, the objective of *Haseltine* is to provide for the processing of customer returns on an item-basis. Accordingly, Applicant respectfully submits that Claims 8, 9, 18, and 19, are allowable over the proposed *Junger-Haseltine* combination.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 2-10, 12-20, 22-28, 30 and 36.

The Proposed Combination of *Junger* and *Haseltine* is Improper

Second, assuming for purposes or argument that the proposed combination discloses the limitations of Applicant's claims, which Applicant disputes above, it would not have been obvious to one skilled in the art to make the combination. The mere fact that references can be combined does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990). The showing must be clear and particular. *See, e.g., C.R. Bard v. M3 Sys., Inc.*, 48 U.S.P.Q.2d 1225, 1232 (Fed. Cir. 1998). With regard to independent Claims 1, 11, and 21, the Examiner speculates that "it would have been obvious . . . to modify the method of *Junger*, to include the crediting of an account of the consumer, as taught by *Haseltine*, in order to provide instant credit or direct refund to the individual [consumer]." (Office Action, page 8 citing (*Haseltine*, paragraph 36)). Applicant respectfully submits, however, that the objectives of the respective systems of *Junger* and *Haseltine* do not provide a suggestion to combine these two references in the manner suggested by the Examiner.

It is essential to view the invention as a whole, taking each element into account as well as the advantages, properties, utilities, and results of the invention. *In re Chupp*, 816 F.2d 643, 2 U.S.P.Q.2d 1437 (Fed. Cir. 1987). As discussed above, the very principle and purpose of the system disclosed in *Junger* is the provision of a return system between two intermediary sources of a product. Specifically, *Junger* provides a system and method for obtaining reimbursement from a manufacturer for a retailer who has previously credited customers for the return of like items. With respect to the customer, *Junger* only discloses that a return is accepted "[w]hen a customer returns a product with a receipt," "the serial numbers match," and "all other return conditions are met." (Column 2, lines 14-18). However, *Junger* assumes that this transaction occurs prior to the receipt of the returned items for processing using the return system of *Junger*.

Conversely, Applicant has shown above that the system disclosed in *Haseltine* provides "a distributed network of point-of-return affiliates who will accept the e-tailer's returns on a walk-in basis" from customers. (Page 2, paragraph 18). According to

Haseltine, “the point-of-return associate 42 provides walk-in processing of the [customer’s] request for return.” (Page 3, paragraph 35). Thus, while the objective of *Junger* is to provide for the processing of retailer returns on a batch-basis, the objective of *Haseltine* is to provide for the processing of customer returns on an item-basis. As a result, the solution proposed in *Junger* is drastically different from the solution proposed in *Haseltine*, and one of ordinary skill in the art at the time of invention would not have been motivated to combine the disclosure of *Junger* with the disclosure of *Haseltine*.

Furthermore, it is improper for an Examiner to use hindsight having read the Applicant’s disclosure to arrive at an obviousness rejection. *In re Fine*, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1988). It is improper to use the claimed invention as an instruction manual or template to piece together the teachings of the prior art so that the claimed invention is rendered obvious. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The inconsistencies in *Junger* and *Haseltine*, as identified by Applicant above, evidences the Examiners reconstruction of Applicant’s claims by using hindsight to piece together disjointed portions of analogous, but inconsistent references.

For at least these reasons, Applicant respectfully submits that the proposed *Junger-Haseltine* combination is improper. Accordingly, the rejection of Applicant’s claims over the proposed *Junger-Haseltine* combination should be withdrawn.

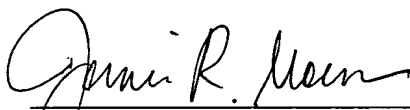
CONCLUSION

Applicant has made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for other reasons clear and apparent, Applicant respectfully requests reconsideration and allowance of the pending claims.

Applicant does not believe any fees are due. However, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

If there are matters that can be discussed by telephone to advance prosecution of this application, Applicant invites the Examiner to contact its attorney at the number provided below.

Respectfully submitted,
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Dated: April 5, 2005

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